

University of Mississippi eGrove

Newsletters

American Institute of Certified Public Accountants
(AICPA) Historical Collection

1-1-1974

Washington report, vol. 2 no.21, March 11, 1974

American Institute of Certified Public Accountants. Federal Information

Wade S. Williams

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

American Institute of Certified Public Accountants. Federal Information and Williams, Wade S., "Washington report, vol. 2 no.21, March 11, 1974" (1974). *Newsletters*. 423.
https://egrove.olemiss.edu/aicpa_news/423

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

AICPA *Washington Report*

March 11, 1974

Volume II, Issue 21

WASHINGTON REPORT SUMMARY

ACTION	1973 Annual Report available	p. 1
CASB	Proposed standard on personal absences issued.	p. 1
CLC	"Reserve Funds" pay rulings issued	p. 1
	Final revision of CLC Form 22 issued	p. 1
	House considers extension of Stabilization Act	p. 1
FPC	Uniform System of Accounts amendments issued	p. 1
FRB	Management consulting OK'd for bank holding companies.	p. 2
FTC	Legislation to investigate relationships of CPAs and oil company clients introduced	p. 2
HEW	Proposed rules on supplemental educational opportunity grants issued.	p. 2
	Proposed amendments to librarianship grant program issued.	p. 2
	Changes in "Follow Through" program regulations include financial management improvements.	p. 3
	House takes up major education bill.	p. 3
OFPP	Procurement bill passed by Senate	p. 3
SEC	Proposed Guide 60 on Real Estate Limited Partnerships available	p. 3
	Charles Pardee, CPA, appointed Associate Chief Accountant, Division of Corporation Finance.	p. 3
Treasury	Senate Finance Committee makes document on Administration's Foreign Tax treatment recommendations available.	p. 3
Special	International Accounting and Auditing	p. 4

ACTION

The 1973 Annual Report of ACTION is available. It contains a review of the fiscal year operations of the agency, both of its international operations as well as the domestic ones. The report provides an overview of the various regional activities throughout the U.S. Copies of the report may be obtained by contacting the agency at 202/382-5266.

COST ACCOUNTING STANDARDS BOARD

A proposed cost accounting standard on "accounting for cost of compensated personal absence" has been issued (see 3/4/74 Fed. Reg., p. 8171). The purpose of this Standard is to improve the measurement of costs of various personal absences and to increase the probability that the measured costs are allocated to the proper cost objectives. Comments on the proposal may be submitted until 5/6/74.

COST OF LIVING COUNCIL

A CLC ruling on "Incentive Compensation Reserve Funds" is contained in the 3/1/74 Fed. Reg. at p. 7940. In addition, three other rulings (Phase IV pay ruling 74-2 to 4) on reserve funds: base year amount; supplements to formula amounts; and apportionment to executive control group compensation are included with the basic ruling.

A final revision of Form CLC-22 has been issued in the 3/6/74 Fed. Reg. at p. 8884. There is no requirement for independent verification but only certification by a Chief Operating Officer or authorized and designated representative.

Legislative hearings in the House to extend the present controls have commenced. The Senate Banking Subcommittee is presently completing its action on the legislation which will quite likely exceed the authority the Administration has indicated it will need for wage-price stabilization.

FEDERAL POWER COMMISSION

Amendments to the Uniform System of Accounts affecting various reporting forms for premium discount and expense of issue, gains and losses on refunding and reacquisition of long-term debt, and interperiod allocation of income taxes has been issued (FPC Order 505-A, 2/25/74). The amendments are reprinted in the 3/5/74 Fed. Reg. at p. 8332.

FEDERAL RESERVE BOARD

Certain forms of management consulting advice have been added to the list of activities permissible for bank holding companies. The Board's decision and interpretation follows a proposal issued in June to amend the Board's Regulation Y concerning bank holding companies to make management consulting for non-affiliated banks permissible for bank holding companies. The amendment is contained in the 3/5/74 Fed. Reg. at p. 8318. The "consulting advice" would include, among other items, auditing and accounting procedures, tax planning, and personnel operations including recruiting, training and evaluation.

FEDERAL TRADE COMMISSION

An "Energy Accounting Investigations Act of 1974" has been introduced by Rep. Ogden Reid (D-N.Y.). The measure would direct the FTC to investigate the relationships between CPA firms and the major oil companies they serve. Following its investigation, the bill would direct the FTC to take such steps as necessary to remove anti-competitive barriers existing in the fields of auditing, tax servicing, and consultation with and for the major oil companies as well as to insure the promotion of fair and ethical standards in the relationships of these accounting firms and their clients in the energy industries. The bill, HR 13308, was introduced on March 6 and a copy of Mr. Reid's remarks on its introduction are contained in the 3/6/74 Cong. Record at p. E1181.

HEALTH, EDUCATION AND WELFARE, DEPARTMENT OF

Proposed rules on supplemental educational opportunity grants have been issued (see 3/6/74 Fed. Reg., p. 8624). Section 176.23 of the proposed regulations contains the fiscal procedures, record and reporting requirements. Comments on the proposal will be accepted until 4/5/74.

Proposed rules for the Office of Education's librarianship training program have been issued in the 3/5/74 Fed. Reg. at p. 8334. Section 132.14 contains requirements for third party evaluations of the effectiveness of programs and projects.

"Follow Through" program amendments have been proposed, containing amendments to Subpart F regarding certification of accounting system adequacy, preliminary audit surveys and annual audits. Section 158.82 requires grantees to arrange for preliminary audit service to be signed "by a certified public accountant or other duly licensed public accountant" (see 3/5/74 Fed. Reg., p. 8349). A public hearing on the proposed regulations will be held on 3/28/74.

Comprehensive education legislation (HR 69) is scheduled for floor action on Monday, 3/11/74. The House Education Subcommittee worked more than six months preparing this major change to the 1965 Elementary and Secondary Education Act. A copy of the report (H93-805) outlining the Committee's actions is available by contacting the House Education and Labor Committee at 202/225-4527.

OFFICE OF FEDERAL PROCUREMENT POLICY

A bill (S. 2510) to create an "Office of Procurement Policy" within the Executive branch has been approved by the Senate. A reprint of the bill appears in the 3/1/74 Cong. Record at p. S 2527. Sen. Chiles (D-Fla.), chief sponsor of the legislation, is now turning his subcommittee to the task of consolidating the major federal procurement statutes.

Action in the House, by the Government Operations Committee, is expected to resume upon completion of its work on the energy legislation on the bill to create the "Consumer Protection Agency".

SECURITIES AND EXCHANGE COMMISSION

A release on "Proposed Guide 60, Preparation of Registration Statements Relating to Interest in Real Estate Limited Partnerships" has been issued (Rel. 33-5465 of 3/1/74). The significant number of registration statements relating to public offerings of interest in real estate limited partnerships filed with the Commission and questions raised in processing such registration statements led the Commission to propose these guidelines which are designated to minimize delays in review and assist issuers, accountants, attorneys, and others in preparing such filings. Comments on the proposal will be accepted until 4/15/74. If guidelines relating to financial statements are developed, they will be published for comment at a later date.

Charles Pardee, CPA, has been appointed Associate Chief Accountant, Division of Corporation Finance. A long time member of the Commission, Mr. Pardee has served in progressively more important positions within the Corporation Finance Division.


TREASURY, DEPARTMENT OF

A "Summary of Administration Recommendations on U.S. Taxation of Foreign Income and Foreign Persons" has been prepared as a committee print by the Senate Finance Committee. Chairman Russell Long (D-La.) stated that these recommendations were pertinent to consideration of energy-related tax matters and to current issues relating to trade and investment. Copies of the report are available by contacting the Senate Finance Committee, Room 2227, Dirksen Senate Office Building; telephone 202/225-4515.

SPECIAL: INTERNATIONAL ACCOUNTING AND AUDITING

The International Accounting Standards Committee has proposed its first Standard on requirements that companies disclose accounting practices they follow in compiling financial reports. The "exposure draft" has been printed in six languages and is being circulated for comment. A final version is likely to be adopted late in 1974 to be effective for 1975 financial reports. Two other Standards are under consideration; one on valuation of inventories, the other on consolidated financial statements. Exposure drafts of these two Standards are expected to be published later this year.

The "International Journal of Government Auditing" is a new publication dedicated to the advancement of government auditing procedures and techniques. The decision to publish such a Journal was reached by the governing board of INTOSAI in 1972. As proposed, the group will sponsor publication of the International Journal on a three-year trial basis, in order to provide for a greater understanding on a worldwide basis of the government auditors common problems. Subscriptions for the publication which will be issued every three months are \$2.00/year. Checks should be made payable to the International Journal of Government Auditing, c/o P.O. Box 1138, Postal Station "Q", Toronto, Canada M4T 2P4.


Wade S. Williams
Manager
Federal Information
(202) 872-8190